

**§ 93.451 Performance reviews.**

(a) *General.* HUD will review the performance of each grantee in carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the grantee's records and reports, findings from onsite monitoring, audit reports, and information generated from the disbursement and information system established by HUD. Where applicable, HUD may also consider relevant information pertaining to a grantee's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the grantee. Onsite comprehensive performance reviews under the standards in paragraph (b) of this section will be conducted after prior notice to the grantee.

(b) *Standards for comprehensive performance review.* A grantee's performance will be comprehensively reviewed periodically, as prescribed by HUD, to determine whether the grantee has committed and expended the HTF funds as required by § 93.400; has met the requirements of this part, particularly eligible activities, income targeting, affordability, and property standards; has awarded the funds in accordance with its HTF allocation plan and requirements of this part; has reviewed its subgrantees and recipients to determine whether they have satisfied the requirements of this part and the terms of their written agreements; and has met its performance measures in its consolidated plan.

**§ 93.452 Corrective and remedial actions.**

(a) *General.* HUD will use the procedures in this section in conducting the performance review as provided in § 93.451 and in taking corrective and remedial actions.

(b) *Performance review.* (1) If HUD determines preliminarily that the grantee has not met a requirement of this part, the grantee will be given notice of this determination and an opportunity

to demonstrate, within the time prescribed by HUD (not to exceed 30 calendar days) and on the basis of substantial facts and data, that it has done so.

(2) If the grantee fails to demonstrate to HUD's satisfaction that it has met the requirement, HUD will take corrective or remedial action in accordance with this section or § 93.453.

(c) *Corrective and remedial actions.* Corrective or remedial actions for a performance deficiency (failure to meet a provision of this part) will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

(1) HUD may instruct the grantee to submit and comply with proposals for action to correct, mitigate, and prevent a performance deficiency, including:

(i) Preparing and following a schedule of actions for carrying out the affected activities, consisting of schedules, timetables, and milestones necessary to implement the affected activities;

(ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;

(iii) Canceling or revising activities likely to be affected by the performance deficiency, before expending HTF funds for the activities;

(iv) Reprogramming HTF funds that have not yet been expended from affected activities to other eligible activities;

(v) Reimbursing its HTF account in any amount not used in accordance with the requirements of this part;

(vi) Suspending disbursement of HTF funds for affected activities; and

(vii) Establishing procedures to ensure compliance with HTF requirements;

(2) HUD may also change the method of payment from an advance to reimbursement basis and may require supporting documentation to be submitted for HUD review for each payment request before payment is made; determine the grantee to be high risk and impose special conditions or restrictions on the allocation in accordance with 2 CFR 200.207 or 200.338; and take